



SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

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CONFIDENTIAL

The Rt Hon Michael Heseltine MP
Secretary of State for the Environment
2 Marsham Street
London
SW1 3EB

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2 May 1980

Dear Secretary of State,

ACCOMMODATION FOR THE SCOTTISH OFFICE COMPUTER SERVICE (SOCS) EDINBURGH

You sent me a copy of your letter of 16 April to Paul Channon about the public expenditure provision for the PSA on new works.

The position seems to be that, having acceded to your proposals for cuts in total PSA expenditure, the Ministers who are the PSA's clients are now stuck with the consequences for their Departments. I must say this does not seem a very satisfactory way of, in effect, changing the role of the PSA; but I can understand John Biffen's views on reopening the public expenditure package. We will certainly have to be clearer on the next round about the consequences of any further cuts you may propose in this area.

As you know, my interest is in the provision of an urgently needed replacement computer hall for our Scottish Office Computer Service at a total cost of £750,000. Of that PSA now agree that only some £100,000 would be incurred in 1980-81 (not the £550,000 listed in the enclosure to your minute of 24 March to the Prime Minister.) You will recall that its provision within the existing building was a compromise solution you put to me on 27 September last, involving a deferment of a new building which would have cost £8.3 million. You offered your interim compromise solution because conditions in the out-of-date computer hall are so inadequate for the up-to-date computer equipment it houses, which is essential to the services we provide and our own administrative functions: the earlier correspondence contains the details. There is no doubt that a new computer hall is urgently required, the present one having had a detailed adverse report in March from the CSD's Central Computer and Telecommunications Agency.

I am very reluctantly prepared to find from within my own PESC allocation the £100,000 needed in 1980-81 to start work on the new computer hall. Conditions in the present hall make an early start imperative. It would be very difficult for me to accept the potential liability to complete the work in 1981-82. Since there seems to be

less demand on your resources in 1981-82, I would be grateful if you could bear at least part of the 1981-82 share of the cost. I shall do my best to find the balance.

I am sending copies of this letter to recipients of yours.

Yours sincerely,

G.S. Wilson

Approved by the Secretary of State
and signed in his absence

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